**Electronically Recorded** 

Auganne Henlesser

Official Public Records

Tarrant County Texas

2008 Aug 28 10:56 AM Fee: \$ 24.00

Submitter: SIMPLIFILE

D208336863

3 Pages

Suzanne Henderson

CHEAPEAKE ENERGY CORP. ATTN: RECORDING TEAM P.O. Box 18496 Oklahoma City, OK 73154

Submitter: Chesapeake Operating, Inc.

## DOCUMENT E-RECORDED IN THE COUNTY RECORDS

## DO NOT DESTROY

## WARNING - THIS IS PART OF THE OFFICAL RECORD

ELECTRONICALLY RECORDED BY SIMPLIFILE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE

(No Surface Use)

CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P. prepared by the party hereinabove named as Lessee, but all other provisions (including the limited by the party hereinabove named as Lessee, but all other provisions (including the limited by the limite	by and between Rose Mary Garcia and Rose M. Beltran Ranchview Drive Gard Marie: Texas 75052 3002 as Lessor and D. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were githe completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all the Lessor and Lessee.
1. In consideration of a cash bonus in hand paid and the covenants herein contained, I	lessor hereby grants, leases and lets exclusively to bessee the following described taxes, and lets exclusively to bessee the following
loosed premient:	FCtnTPS //haca A
Texas, being more particularly described by metes	and bounds in that certain General Warranty Deed With recorded and bounds in that certain General Warranty Deed With recorded a Christian County, Texas; Vendor's Lien
prescription or otherwise), for the purpose of exploring for, developing, producing association therewith (including geophysical/seismic operations). The term "gas" as addition to the above-described leased premises, this lease also covers accretions and the above-described leased premises, and, in consideration of the aforementioned or more complete or accurate description of the land so covered. For the purpose of determined the	oss acres, more or less (including any interests therein which Lessor may bereafter acquire by reversion, g and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to ash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a ermining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be
deemed correct, whether actually more or less.	C. I.C. I was the sea file of the control of the co

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions

hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty percent (20)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field, then in the nearest field in which there is such a prevailing by the same field (or if there is no such price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field (or if there is no such price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field (or if there is no such price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field (or if there is no such price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field (or if there is no such price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing price) for production of simi prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the purchase such production at the prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another wells are shut-in or production theref

wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is seen sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If Lessor or to the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise being m

uncompensated dramage by any well or wells located on other lands not pooled therein. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 840 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 840 acres plus a maximum acreage to 10%, and for a gas well or a horizontal completion shall not exceed 840 acres plus a maximum acreage well or a horizontal completion shall not exceed 840 acres plus a maximum acreage well or a horizontal completion shall not exceed 840 acres plus a maximum acreage well or a horizontal completion shall not exceed 840 acres plus a maximum acreage shall acreamed a shall be terms "oil well" and "gas well" shall gas-oil ratio of less than 100,000 cubic feet per barrel, based on 24-hour production text conducted under normal production, deficitly acreamed a shall t

revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises or lands pooled therewith shall be reduced to design the respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder hereafter and obligations of Lessee hereunder hereafter such shut-in royalties to the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the

all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to sausty such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or individed interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties bereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regul
- the same to the sesses of the prevention of the
- offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens 15. Lessor hereby warrants and agrees to detend title conveyed to Lessee hereinder, and agrees that Lessee at Lessee so on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

  17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that Lessor acknowledges that the sease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on the lessee that the less that the contrary in this lease without

durage or undue influence. I accor recomizes that lease values could on	ons. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease up or down depending on market conditions. Lessor acknowledges that no representations or assurances we ferent terms depending on future market conditions. Neither party to this lease will seek to alter the terms obtate with any other lessors/oil and gas owners.	ere made in
IN WITNESS WHEREOF, this lease is executed to be effective as of executors, administrators, successors and assigns, whether or not this lease	the date first written above, but upon execution shall be binding on the signatory and the signatory's here executed by all parties hereinabove named as Lessor.	eirs, devisees,
LESSOR WHETERONE OR MORE COS OF A	1K/a Y Fret Thores Rown	
	ACKNOWLEDGMENT	
STATE OF TEXAS TAYYANT COUNTY OF This instrument was acknowledged before me on the see M. Beltran and Richard Thom		alkh
ise M. Beltran and Richard Thon	195 Koman Colores	
	Notary Public, State of Texas  Notary's name (printed)	
	Notary's commission expires:	TUNICA
STATE OF TEXAS	VERONICA LEE Notary Public, State My Commission February 01,	e of Texas Expires
COUNTY OF This instrument was acknowledged before me on the	day of, 20, by	
	Notary Public, State of Texas Notary's name (print Record & Return to: Notary's commission Pries peake Operating, Ir P.O. Box 18496 Oklahoma City, OK 731	
STATE OF TEXAS		
COUNTY OF This instrument was acknowledged before me on the	e day of, 20, by	
a	corporation, on behalf of said corporation.	
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:	
	DECORDING INCODINATION	
STATE OF TEXAS	RECORDING INFORMATION	
County of		
This instrument was filed for record on the	day of, 20, at	o'clock
Book, Page, of the	records of this office.	
	Rv	
	Clerk (or Deputy)	